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# WEEKLY SUMMARY



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**H I G H L I G H T S**

At the mid-November meeting of the Cominform, problems raised by Tito's deviation were thrashed out, and the delegates probably received instructions on Soviet plans for Tito's liquidation, plans which may envisage a greater emphasis on guerrilla and sabotage activity within Yugoslavia (see page 4). Preparations for such activity are already reportedly being advanced in the Satellites bordering on Yugoslavia (see page 13).

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In the Far East, the National Government is establishing still another temporary mainland refuge at Chengtu following Communist capture of Chungking (see page 9). Acting President Li Tsung-jen will probably remain inactive as long as the struggle continues on the mainland, and Chiang Kai-shek probably will try to avoid reassumption of formal leadership, at least until the government is finally removed to Taiwan.

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**W E S T E R N   E U R O P E**

**FRANCE**

**Labor Unrest** In calling the general French strike on 25 November, the Force Ouvriere (FO) reversed its policy of emphasizing cost-of-living reductions rather than wage increases, but failed to make any appreciable progress toward increasing its hold on labor. FO efforts to achieve this objective through strike activity will continue to be handicapped both by resistance from the Christian Confederation of Labor and by FO's wariness lest the Communist-led General Confederation of Labor be afforded an opportunity to develop and control the workers' strike committees either at plant or national level. Moreover, French workers are still disillusioned with union leadership and reluctant to fight for higher wages by means of strikes which would reduce their income further. Thus, serious strikes are not anticipated in December, even though the Government's recent bonus concessions and current proposals regarding collective bargaining will not allay labor unrest.

Meanwhile, internal disagreement prevents the French Government from taking decisive action on the labor question and the Government's draft bill will not overcome labor's dissatisfaction because: (1) return to collective bargaining will not be completed in December; (2) mandatory minimum wages will not be geared to a cost-of-living index; and (3) the stringent provisions for compulsory arbitration do not specify that the full advantages of collective bargaining will accrue to labor in nationalized industries.

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**UNITED KINGDOM**

**Election Issue Winston Churchill's recent strong personal attack on Foreign Secretary Bevin's conduct of foreign affairs indicates that the Conservative Party intends to make an election issue of the conduct of Britain's external relations. Conservative dissatisfaction with Bevin's handling of foreign affairs has been growing and, among other charges, Churchill stated that the Labor Ministers had lost British leadership of Europe's social democratic forces and had confused other nations by supporting Czechoslovakia's candidacy for the Security Council and by illogically refusing to appoint an ambassador to Spain while maintaining similar representation in the USSR. Although charges of ineptitude in Labor's conduct of foreign affairs are expected to increase as the Conservative Party's election campaign gains momentum, the attacks will not affect the broad objectives to which UK foreign policy is committed.**

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**SECRET****E A S T E R N   E U R O P E**

**Cominform Meeting**    The mid-November meeting of the Cominform probably concerned itself primarily with problems raised by Tito's deviation. In addition to taking steps toward eradicating ideological schisms within the Cominform Communist parties caused by the Tito affair, the delegates at the meeting almost certainly were briefed on the Kremlin's plans for the liquidation of Tito. These plans probably call for a general intensification of Satellite pressure on Yugoslavia, with greater emphasis on guerrilla and sabotage activity within Yugoslavia. The choice of Suslov as the ranking Soviet delegate, in contrast to other Cominform meetings attended by Politburo member Zhdanov and Malenkov, indicates that this meeting was concerned less with the discussion of any new policy than with the implementation of decisions already made in Moscow.

**S O V I E T   U N I O N**

**Peace Offensive**    Overwhelming adoption by the UN General Assembly of the US-UK peace resolution, coupled with resounding rejection of a rival Soviet "peace" proposal, marks an all-time low in Soviet prestige at the UN and makes it clear that the Soviet peace offensive has passed the point of diminishing returns. Rejection of the latest Soviet peace proposal not only was more decisive than on previous occasions but was preceded by unusually sharp denunciations of Soviet conduct as undermining international cooperation. Soviet persistence in initiating these peace propaganda resolutions at the UN suggests that the Kremlin is not attempting to influence UN

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**SOVIET UNION**

members but is merely trying to convince Soviet-Satellite audiences that the USSR is the real champion of peace and the UN. Wherever a free press exists, however, the net effect of the GA's action should be to lower the prestige of the Soviet bloc.

**YUGOSLAVIA**

Danube Control    Soviet efforts at the November meetings of the Danube Commission to throttle Yugoslav influence in Danube River matters, though another manifestation of Cominform pressure against Tito, will have little further effect on the Yugoslav economy or upon Yugoslav shipping operations on the Danube. (Previous Soviet-inspired measures against Yugoslavia have already been successful in greatly reducing Danube river traffic.) Despite Yugoslavia's geographic and economic preeminence as a Danube power, all Yugoslav recommendations were unanimously defeated by the Commission, few Yugoslavs were elected officers of the Commission, and, over Yugoslav objections, the Soviet Secretary of the Commission was given virtually dictatorial powers. However, as long as Yugoslavia is in a position to use force in denying passage to Satellite shipping in Yugoslav waters (as it did in May when a ship from Budapest bound for the USSR was turned back at the Yugoslav frontier), and as long as other orbit countries desire to use Yugoslav waterways, Yugoslav shipping can be expected to ply the upper and lower Danube without serious molestation.



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**N E A R E A S T - A F R I C A**

**ITALIAN COLONIES**

**UK-Libyan Treaty**    Creation of a "sovereign and independent" Libya as called for by the UN General Assembly will confront the UK with a complex legal problem in ensuring its long term strategic interests in Cyrenaica. The British fear that any separate defense treaty with Cyrenaica, though adequate for the pre-unification period, would become invalid when Cyrenaica becomes part of a united Libya sometime before 1952. Although the UK could probably negotiate a similar treaty with any new Libyan government, it is unwilling at present to extend its defense commitments to Tripolitania and the Fezzan, both because of the expense involved and the repercussions on British relations with France and Italy. The UK might possibly be able to maintain separate Cyrenaican defense arrangements if Emir Sayid Idris of Cyrenaica becomes the head of the new Libyan regime, but it is likely that more populous and highly developed Tripolitania will assume a leading role in the new Libya and thus tie Idris's hands. It is probable, therefore, that the British will eventually be forced to negotiate a defense treaty with Libya as a whole and will call upon the US to help underwrite the financial commitment involved.

**PALESTINE**

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**PALESTINE**

**Status of Jerusalem** UN hopes for internationalizing the Jerusalem area faded further last week when Jordan rejected any change in the status quo, whereby the Israelis control the New City and the Jordanians the Old City. With Israel already on record as refusing to yield Jewish authority over the New City, both Jordan and Israel can now effectively prevent the implementation of UN authority except over the sacred places. Even though a large number of UN member nations have recently come out in favor of the principle of internationalization, the difficulty still remains that the UN is in no position to enforce the internationalization of Jerusalem if the two nations actually in control of the area oppose the scheme, particularly if they reach formal agreement on partition of the city.

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**F A R E A S T**

**Commonwealth Conference**    The January meeting in Ceylon of the Commonwealth Foreign Ministers will provide the UK with an opportunity to enlist the fuller participation of its Far East partners in the problems and development of their area. At this conference, special emphasis will be accorded such Pacific and Southeast Asia issues as recognition of Communist China, formulation of a Japanese peace treaty, Commonwealth assistance for Burma, and future relations with Indochina. An agreed Commonwealth position with respect to each of these issues may be reached. In addition, Britain's dual position as a member of both the Commonwealth and Western Union will probably be considered, as well as more general Commonwealth political and economic problems.

**CHINA**

**Nationalist Retreat**    A temporary capital on the Chinese mainland for the disintegrating National Government is now being established at Chengtu following the surrender of Chungking to Communist forces. This may be the Nationalists' last stand in China proper unless Acting President Li Tsung-jen, or a successor, succeeds in rallying the support of remaining anti-Communist elements in the southwestern provinces. Li has withdrawn to Hong Kong, and it is thought that he will remain inactive as long as the struggle continues on the mainland. Chiang Kai-shek, on whom pressure is being brought to reassume formal leadership of the National Government, will probably prefer to withdraw to Taiwan rather than attempt to continue the struggle on the mainland.

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**CHINA**

Meanwhile, the troops under General Pai Chung-hsi, which constitute the Nationalists' last major force, are in desperate straits, lacking replacements, funds, rations, ammunition, and other vital supplies. Pai is unwilling to make a deal with the Communists and unable to count on popular or official support in Kwangsi Province; his position is thus rapidly becoming untenable. Following his expected failure to hold a portion of the South China coast or to find refuge in Indochina, Pai will probably eventually be forced to abandon his troops to their own resources and will seek asylum abroad.

**AUSTRALIA**

**Election Forecast** Although the final results may be close, the Australian general election on 10 December will probably return the incumbent Labor Government to power. The Australian Labor Party, in power since 1941--a period of prosperity and full employment--is standing on its impressive record of furthering social benefits and security for the masses of the people. Labor has the added advantage of party unity and a popular leadership. The opposition Country and Liberal Parties, which have formed an uneasy alliance in the current campaign, have been unable to find tangible issues with popular appeal and are relying heavily upon public dislike for socialism and communism, as well as on general dissatisfaction with continuing economic controls and the high cost of living. Although anti-socialism is the chief plank in the platform of the opposition parties, they have felt compelled to promise continuation of many of the social

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**AUSTRALIA**

benefits already instituted by the Labor Government. The opposition will be greatly encouraged by the recent unexpected defeat of the New Zealand Labor Government, but, aside from some psychological effect upon Australian voters, the political upset in New Zealand is not expected to have a substantial effect on the voting in Australia.

**THE PHILIPPINES**

Disorders Continue    Post-election armed uprisings and violence throughout the Philippines are continuing to tax the Government's law enforcement machinery and will increase general tensions during the forthcoming session of Congress. The insurrection in Batangas Province continues despite a Government offensive and offers of amnesty by the provincial governor. Meanwhile, Huk activity, which declined during the election period, is increasing, particularly in central Luzon where constabulary forces have already repulsed two foraging parties. The seriousness of current lawlessness throughout the Philippines is aggravated by the large number of firearms in the hands of civilians. With armed dissidents present even in Manila and constabulary forces fully committed throughout the archipelago, the Government may have considerable difficulty preventing the disorders from getting out of hand.

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**W E S T E R N   H E M I S P H E R E**

**CANADA**

**US Relations**   Despite mounting Canadian irritation at the US over certain issues of mutual concern, Canada is not expected to alter its past policy of close cooperation with the US. In a recent foreign policy address before Parliament, Minister of External Affairs Pearson voiced Canada's growing impatience with the failure of the US to take action on such matters as the revision of the Newfoundland bases agreement, implementation of the new bilateral air agreement and the St. Lawrence Seaway project, and various border control difficulties.

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## **SATELLITE PRESSURE ON YUGOSLAVIA**

The increasing number of incidents along the Yugoslav border and the intensification of the anti-Tito propaganda beamed into Yugoslavia from the bordering Satellites may indicate Kremlin preparations for greater subversive activity against Tito during the coming months. Although it is impossible to estimate the extent of infiltration into Yugoslavia, either from Yugoslav Government reports or from widely-publicized Cominform accounts, the scope of Cominform preparations in the border Satellites for subversive activity in Yugoslavia is far beyond the needs for propaganda and pressure against Tito.

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**THE PANAMANIAN CRISIS**

With public tension subsiding after the recent series of coups in Panama which elevated Arnulfo Arias to the presidency, and with Arias taking energetic steps to consolidate his position, the Panamanian situation appears to be less critical for the time being. The principal factors affecting the US-Panama relationship are Arias' seizure of the presidency by force, his considerable popularity with the Panamanian masses, and his anti-US background.

The recent coups were another manifestation of the long-standing rivalry between the Arias brothers, Arnulfo and Harmodio, and the followers of ex-president Jimenez. The presidential-coup was the culmination of several weeks of maneuvering and plotting by the various factions over control of the cattle-slaughtering business and of the police, Panama's only military force. The ousting of President Chanis aroused public indignation over police tactics, and, with civil disturbances imminent, Remon turned to Arias. In fact, Arnulfo Arias, who has a large popular following and is considered by many to have been cheated of the presidency in 1948, was possibly the only man in Panama capable of preventing bloodshed by enlisting the support both of the indignant Panamanian population and the unpopular police.

Thus far the alliance between Arias and Remon, a former backer of Jimenez, has been successful. Arias' opponents have fled to the Canal Zone and public indignation against the police has diminished. The possibility still exists, however, that irresponsible elements may resort to effective threats or to assassination and thus

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again completely change political alignments. Moreover, the basic struggle for the perquisites of power will continue; disagreement between Remon and Arias over the former's prerogatives remains a possibility, and numerous anti-Arias forces will persist in plotting his overthrow.

With Arias as president, US-Panamanian relations will be difficult. In view of Arias' clear record of extreme nationalism and anti-US bias, it is likely that whenever personal or political considerations are involved he will pursue a foreign policy often opposed to that of the US. He is expected to oppose the US in matters of inter-American defense and to support those objecting to the dominant position of the US in the Caribbean area. Arias, however, will not want to antagonize the middle class or furnish ammunition to his political opponents by pursuing any extreme policy. Moreover, he will probably need to obtain US aid in bolstering the deteriorating economic situation in Panama. Thus there will be certain limits on the length to which Arias will and can go in asserting Panama's national sovereignty through anti-US policies.

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